



Reprinted  
February 26, 2002

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## ENGROSSED SENATE BILL No. 318

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DIGEST OF SB 318 (Updated February 25, 2002 1:48 PM - DI 44)

**Citations Affected:** IC 4-4; IC 6-1.1; IC 36-7; noncode.

**Synopsis:** Enterprise zones and redevelopment. Provides that the president of the Association of Indiana Enterprise Zones or an enterprise zone executive director designated by the president shall serve as a nonvoting, advisory member of the enterprise zone board. Allows a county or municipal redevelopment commission to sell or grant real property without a public bidding process to an urban enterprise association or a community development corporation if certain conditions are met. Specifies that a county or municipal redevelopment commission must decide at a public meeting whether to sell or grant real property to an urban enterprise association. Authorizes use of tax increment finance revenues to reimburse public and private entities for expenses incurred in training employees of industrial facilities.

**Effective:** July 1, 2002.

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**Skillman, Blade, Smith S, Alting,  
Bowser**

(HOUSE SPONSORS — KLINKER, POND)

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January 8, 2002, read first time and referred to Committee on Energy and Economic Development.

January 29, 2002, amended, reported favorably — Do Pass.

February 1, 2002, read second time, ordered engrossed. Engrossed.

February 4, 2002, read third time, passed. Yeas 50, nays 0.

HOUSE ACTION

February 11, 2002, read first time and referred to Committee on Local Government.

February 21, 2002, amended, reported — Do Pass.

February 25, 2002, read second time, amended, ordered engrossed.

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ES 318—LS 7014/DI 101+



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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## ENGROSSED SENATE BILL No. 318

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 4-4-6.1-1, AS AMENDED BY P.L.120-1999,  
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2002]: Sec. 1. (a) There is created a ~~nineteen (19)~~ **twenty (20)**  
4 member enterprise zone board, referred to as the "board" in this  
5 chapter. The board consists of fifteen (15) voting members and ~~four (4)~~  
6 **five (5)** nonvoting, advisory members. The members described in  
7 subsection (b)(1) through (b)(9) serve for four (4) year terms, except  
8 that for the initial appointments to the board, six (6) members shall be  
9 appointed for two (2) year terms. Not more than ten (10) members may  
10 be from the same political party. The presence of at least eight (8)  
11 voting members is required to have a quorum for board meetings.  
12 (b) The governor shall appoint fifteen (15) enterprise zone board  
13 members as follows:  
14 (1) A representative of business.  
15 (2) A representative of labor.  
16 (3) A representative of the fire prevention and building safety  
17 commission.

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- (4) A representative of minority business.
  - (5) A representative of small business.
  - (6) A representative of a neighborhood association.
  - (7) A representative of municipal government.
  - (8) A representative of the state department of health.
  - (9) The lieutenant governor or his designee.
  - (10) A representative of the department of state revenue.
  - (11) A representative of the ~~state board of tax commissioners~~  
**department of local government finance.**
  - (12) A representative of the department of environmental management.
  - (13) A representative of the Indiana development finance authority.
  - (14) A representative of the Indiana business modernization and technology corporation.
  - (15) A representative of the department of workforce development.
- (c) The president pro tempore of the state senate shall appoint two (2) state senators to the enterprise zone board.
- (d) The speaker of the house of representatives shall appoint two (2) state representatives to the enterprise zone board.
- (e) The president of the Association of Indiana Enterprise Zones or the president's designee shall serve as a nonvoting, advisory member of the board. A member designated by the president of the Association of Indiana Enterprise Zones under this subsection:**
- (1) must be the executive director of an enterprise zone designated under this chapter; and**
  - (2) shall serve on the board until the member:**
    - (A) is dismissed by the president of the Association of Indiana Enterprise Zones under subsection (g); or**
    - (B) no longer serves as the executive director of an enterprise zone designated under this chapter.**
- (f) The ~~four (4)~~ legislative five (5) members appointed under subsections (c), ~~and~~ (d), and (e) are the nonvoting, advisory members of the board.**
- (~~g~~) (g)** Members may be dismissed only by the appointing authority and only for just cause. The governor shall fill any vacancy as it occurs for the remainder of the term.
- (~~g~~) (h)** The governor shall designate a chairman and vice chairman every two (2) years in the month in which the first meeting of the board is held or whenever a vacancy occurs.
- (~~h~~) (i)** The board by rule shall provide for the conduct of its business



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1 and the performance of its duties.

2 ~~(j)~~ **(j)** The department of commerce shall serve as the staff of the  
3 board. If an urban enterprise association created under section 4 of this  
4 chapter requests copies of forms filed with the board, the department  
5 of commerce shall forward copies of the requested forms to the urban  
6 enterprise association.

7 ~~(k)~~ **(k)** Except as provided in subsection ~~(k)~~ **(l)**, a nonlegislative  
8 member is entitled to the minimum salary per diem as provided in  
9 IC 4-10-11-2.1(b) while performing his duties. Such a member is also  
10 entitled to reimbursement for traveling expenses and other expenses  
11 actually incurred in connection with his duties, as provided in the state  
12 travel policies and procedures established by the Indiana department  
13 of administration and approved by the budget agency.

14 ~~(l)~~ **(l)** If a nonlegislative member of the board is an elected public  
15 official of local government, the member shall not be paid a salary.  
16 However, the board member shall be reimbursed for necessary  
17 expenses that are incurred in the performance of official duties.

18 ~~(m)~~ **(m)** A legislative member is entitled to reimbursement as  
19 provided by law for traveling expenses and other expenses actually  
20 incurred in connection with his duties.

21 SECTION 2. IC 4-4-6.1-5 IS AMENDED TO READ AS  
22 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) An urban  
23 enterprise association shall do the following:

- 24 (1) Coordinate zone development activities.
- 25 (2) Serve as a catalyst for zone development.
- 26 (3) Promote the zone to outside groups and individuals.
- 27 (4) Establish a formal line of communication with residents and  
28 businesses in the zone.
- 29 (5) Act as a liaison between residents, businesses, the  
30 municipality, and the board for any development activity that may  
31 affect the zone or zone residents.

32 (b) An urban enterprise association may do the following:

- 33 (1) Initiate and coordinate any community development activities  
34 that aid in the employment of zone residents, improve the  
35 physical environment, or encourage the turnover or retention of  
36 capital in the zone. These additional activities include but are not  
37 limited to recommending to the municipality the manner and  
38 purpose of expenditure of funds generated under  
39 IC 36-7-14-39(g) or IC 36-7-15.1-26(g).
- 40 (2) Recommend that the board modify a zone boundary or  
41 disqualify a zone business from eligibility for one (1) or more  
42 benefits or incentives available to zone businesses.



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(3) Incorporate as a not-for-profit corporation. Such a corporation may continue after the expiration of the zone in accordance with the general principles established by this chapter. **An urban enterprise association that incorporates as a not-for-profit corporation under this subdivision may purchase or receive real property from a redevelopment commission under IC 36-7-14-22.2 or IC 36-7-15.1-15.2.**

(c) The U.E.A. may request, by majority vote, the legislative body of the municipality in which the zone is located to modify or waive any municipal ordinance or regulation that is in effect in the zone. The legislative body may, by ordinance, waive or modify the operation of the ordinance or regulation, if that ordinance or regulation does not affect health (including environmental health), safety, civil rights, or employment rights.

(d) The U.E.A. may request, by majority vote, the enterprise zone board to waive or modify any state rule that is in effect in the zone. The board shall review the request and may approve, modify, or reject it. Approval or modification by the board shall take place after review by the appropriate state agency. A modification may include but is not limited to establishing different compliance or reporting requirements, timetables, or exemptions in the zone for a business or individual, to the extent that the modification does not adversely affect health (including environment health), safety, employment rights, or civil rights. An approval or modification of a state rule by the board takes effect upon the approval of the governor. In no case are the provisions of IC 22-2-2 and IC 22-7-1-2 mitigated by this chapter.

SECTION 3. IC 6-1.1-25-9, AS AMENDED BY P.L.73-2001, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) When a county acquires title to real property under IC 6-1.1-24 and this chapter, the county may dispose of the real property under IC 36-1-11 or subsection (e). The proceeds of any sale under IC 36-1-11 shall be applied as follows:

- (1) First, to the cost of the sale or offering for sale of the real property, including the cost of:
  - (A) maintenance;
  - (B) preservation;
  - (C) administration of the property before the sale or offering for sale of the property;
  - (D) unpaid costs of the sale or offering for sale of the property;
  - (E) preparation of the property for sale;
  - (F) advertising; and
  - (G) appraisal.



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(2) Second, to any unrecovered cost of the sale or offering for sale of other real property in the same taxing district acquired by the county under IC 6-1.1-24 and this chapter, including the cost of:

(A) maintenance;

(B) preservation;

(C) administration of the property before the sale or offering for sale of the property;

(D) unpaid costs of the sale or offering for sale of the property;

(E) preparation of the property for sale;

(F) advertising; and

(G) appraisal.

(3) Third, to the payment of the taxes on the real property that were removed from the tax duplicate under section 4(c) of this chapter.

(4) Fourth, any surplus remaining into the county general fund.

(b) The county auditor shall file a report with the board of commissioners before January 31 of each year. The report must:

(1) list the real property acquired under IC 6-1.1-24 and this chapter; and

(2) indicate if any person resides or conducts a business on the property.

(c) The county auditor shall mail a notice by certified mail before March 31 of each year to each person listed in subsection (b)(2). The notice must state that the county has acquired title to the tract the person occupies.

(d) If the county determines under IC 36-1-11 that any real property so acquired should be retained by the county, then the county shall not dispose of the real property. The county executive may repair, maintain, equip, alter, and construct buildings upon the real property so retained in the same manner prescribed for other county buildings.

(e) The county may transfer title to real property described in subsection (a) to the redevelopment commission at no cost to the commission for sale or grant under ~~IC 36-7-14-22.1~~ or **IC 36-7-14-22.2**, IC 36-7-15.1-15.1, or **IC 36-7-15.1-15.2**.

SECTION 4. IC 36-7-14-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 22. (a) This section does not apply to the sale or grant of real property or interests in real property to ~~neighborhood development corporations~~ **urban enterprise associations or community development corporations** under section ~~22.1~~ **22.2** of this chapter. The provisions of this section concerning publication and bidding procedures do not apply to sales, leases, or other dispositions of real property to other public agencies for public

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1 purposes.

2 (b) Before offering for sale or lease to the public any of the real  
3 property acquired, the redevelopment commission shall cause two (2)  
4 separate appraisals of the sale value, or rental value in case of a lease,  
5 to be made by independent appraisers. However, if the real property is  
6 less than five (5) acres in size and the fair market value of the real  
7 property or interest has been appraised by one (1) independent  
8 appraiser at less than ten thousand dollars (\$10,000), the second  
9 appraisal may be made by a qualified employee of the department of  
10 redevelopment. In making appraisals, the appraisers shall take into  
11 consideration the size, location, and physical condition of the parcels,  
12 the advantages accruing to the parcels under the redevelopment plan,  
13 and all other factors having a bearing on the value of the parcels. The  
14 appraisals are solely for the information of the commission, and are not  
15 open for public inspection.

16 (c) The redevelopment commission shall then prepare an offering  
17 sheet showing the parcels to be offered and the offering prices, which  
18 may not be less than the average of the two (2) appraisals. Copies of  
19 the offering sheets shall be furnished to prospective buyers on request.  
20 Maps and plats showing the size and location of all parcels to be  
21 offered shall also be kept available for inspection at the office of the  
22 department.

23 (d) A notice shall be published in accordance with IC 5-3-1. The  
24 notice must state that at a designated time the commission will open  
25 and consider written offers for the purchase or lease of the real property  
26 being offered. In giving the notice it is not necessary to describe each  
27 parcel separately, or to specify the exact terms of disposition, but the  
28 notice:

- 29 (1) must state the general location of the parcels;
- 30 (2) call attention generally to any limitations on the use to be
- 31 made of the real property offered; and
- 32 (3) state that a bid submitted by a trust (as defined in
- 33 IC 30-4-1-1(a)) must identify each:
- 34 (A) beneficiary of the trust; and
- 35 (B) settlor empowered to revoke or modify the trust.

36 (e) At the time fixed in the notice the commission shall open and  
37 consider any offers received. These offers may consist of consideration  
38 in the form of cash, other property, or a combination of cash and other  
39 property. However, with respect to property other than cash, the offer  
40 must be accompanied by evidence of the property's fair market value  
41 that is satisfactory to the commission in its sole discretion. All offers  
42 received shall be opened at public meetings of the commission and



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1 shall be kept open for public inspection.

2 (f) The commission may reject any bids and may make awards to the  
3 highest and best bidders. In determining the best bids, the commission  
4 shall take into consideration the following factors:

5 (1) The size and character of the improvements proposed to be  
6 made by the bidder on the real property bid on.

7 (2) The bidder's plans and ability to improve the real property  
8 with reasonable promptness.

9 (3) Whether the real property when improved will be sold or  
10 rented.

11 (4) The bidder's proposed sale or rental prices.

12 (5) The bidder's compliance with subsection (d)(3).

13 (6) Any factors that will assure the commission that the sale or  
14 lease, if made, will further the execution of the redevelopment  
15 plan and best serve the interest of the community, from the  
16 standpoint of both human and economic welfare.

17 (g) The commission may contract with a bidder in regard to the  
18 factors listed in subsection (f), and the contract may provide for the  
19 deposit of surety bonds, the making of good faith deposits, liquidated  
20 damages, the right of repurchase, or other rights and remedies if the  
21 bidder fails to comply with the contract.

22 (h) After the opening and consideration of the written offers filed in  
23 response to the notice, the commission may dispose of the remainder  
24 of the available real property either at public sale or by private  
25 negotiation carried on by the commission, its regular employees, or real  
26 estate experts employed for that purpose. For a period of thirty (30)  
27 days after the opening of the written offers, no sale or lease may be  
28 made at a price or rental less than that shown on the offering sheet,  
29 except in the case of sales or rentals of ten (10) or more parcels to a  
30 purchaser or lessee who agrees to improve the parcels immediately, but  
31 after that period the commission may adjust the offering prices in the  
32 manner the commission considers necessary to further the  
33 redevelopment plan.

34 (i) A conveyance under this section may not be made until the  
35 agreed consideration has been paid, unless the redevelopment  
36 commission passes a resolution expressly providing that the  
37 consideration does not have to be paid before the conveyance is made.  
38 In addition, such a resolution may provide for a mortgage or other  
39 security. All deeds, leases, land sale contracts, or other conveyances,  
40 and all contracts and agreements, including contracts of purchase and  
41 sale and contracts for advancements, loans, grants, contributions, or  
42 other aid, shall be executed in the name of the "City (or Town or

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County) of \_\_\_\_\_, Department of Redevelopment", and shall be signed by the president or vice president of the redevelopment commission and attested by its secretary. A seal is not required on these instruments or any other instruments executed in the name of the department.

SECTION 5. IC 36-7-14-22.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 22.2. (a) The commission may sell or grant, at no cost, title to real property to an urban enterprise association for the purpose of developing the real property if the following requirements are met:**

(1) The urban enterprise association has incorporated as a not-for-profit corporation under IC 4-4-6.1-5(b)(3).

(2) The parcel of property to be sold or granted is located entirely within the enterprise zone for which the urban enterprise association was created under IC 4-4-6.1-4.

(3) The urban enterprise association agrees to cause development on the parcel of property within a specified period that may not exceed five (5) years from the date of the sale or grant.

(4) The urban enterprise association agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the enterprise zone.

(b) The commission may sell or grant, at no cost, title to real property to a community development corporation (as defined in IC 4-4-28-13) for the purpose of providing low or moderate income housing or other development that will benefit or serve low or moderate income families if the following requirements are met:

(1) The community development corporation has as a major corporate purpose and function the provision of housing for low and moderate income families within the geographic area in which the parcel of real property is located.

(2) The community development corporation agrees to cause development that will serve or benefit low or moderate income families on the parcel of real property within a specified period, which may not exceed five (5) years from the date of the sale or grant.

(3) The community development corporation agrees that the community development corporation and each applicant, recipient, contractor, or subcontractor undertaking work in connection with the real property will:



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(A) use lower income project area residents as trainees and as employees; and

(B) contract for work with business concerns located in the project area or owned in substantial part by persons residing in the project area;

to the greatest extent feasible, as determined under the standards specified in 24 CFR 135.

(4) The community development corporation agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the community development corporation.

(c) To carry out the purposes of this section, the commission may secure from the county under IC 6-1.1-25-9(e) parcels of property acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

(d) Before offering any parcel of property for sale or grant, the fair market value of the parcel of property must be determined by an appraiser, who may be an employee of the department. However, if the commission has obtained the parcel in the manner described in subsection (c), an appraisal is not required. An appraisal under this subsection is solely for the information of the commission and is not available for public inspection.

(e) The commission must decide at a public meeting whether the commission will sell or grant the parcel of real property. In making this decision, the commission shall give substantial weight to the extent to which and the terms under which the urban enterprise association or community development corporation will cause development on the property.

(f) Before conducting a meeting under subsection (d), the commission shall publish a notice in accordance with IC 5-3-1 indicating that at a designated time the commission will consider selling or granting the parcel of real property under this section. The notice must state the general location of the property, including the street address, if any, or a common description of the property other than the legal description.

(g) If the county agrees to transfer a parcel of real property to the commission to be sold or granted under this section, the commission may conduct a meeting to sell or grant the parcel to an urban enterprise zone or to a community development corporation even though the parcel has not yet been transferred to the commission. After the hearing, the commission may adopt a

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1 resolution directing the department to take appropriate steps  
 2 necessary to acquire the parcel from the county and to transfer the  
 3 parcel to the urban enterprise association or to the community  
 4 development corporation.

5 (h) A conveyance of property under this section shall be made  
 6 in accordance with section 22(i) of this chapter.

7 (i) An urban enterprise association that purchases or receives  
 8 real property under this section shall report the terms of the  
 9 conveyance to the enterprise zone board created under IC 4-4-6.1-1  
 10 not later than thirty (30) days after the date the conveyance of the  
 11 property is made.

12 SECTION 6. IC 36-7-14-39.3 IS AMENDED TO READ AS  
 13 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 39.3. (a) As used in this  
 14 section, "depreciable personal property" refers to:

15 (1) all of the designated taxpayer's depreciable personal property  
 16 that is located in the allocation area; and

17 (2) all other depreciable property located and taxable on the  
 18 designated taxpayer's site of operations within the allocation area.

19 (b) As used in this section, "designated taxpayer" means any  
 20 taxpayer designated by the commission in a declaratory resolution  
 21 adopted or amended under section 15 or 17.5 of this chapter, and with  
 22 respect to which the commission finds that taxes to be derived from the  
 23 depreciable personal property in the allocation area, in excess of the  
 24 taxes attributable to the base assessed value of that personal property,  
 25 are needed **for one (1) or more of the following purposes:**

26 (1) To pay debt service or to provide security for bonds issued  
 27 under section 25.1 of this chapter or to make payments or to  
 28 provide security on leases payable under section 25.2 of this  
 29 chapter in order to provide local public improvements for a  
 30 particular allocation area.

31 (2) **To reimburse public and private entities for expenses**  
 32 **incurred in training employees of industrial facilities that are**  
 33 **located:**

34 (A) in the allocation area; and

35 (B) on a parcel of real property that has been classified as  
 36 industrial property under the rules of the department of  
 37 local government finance.

38 However, the total amount of money spent under this  
 39 subdivision in any year may not exceed the total amount of  
 40 money in the allocation fund that is attributable to property  
 41 taxes paid by the industrial facilities described in this  
 42 subdivision. Reimbursements under this subdivision must be

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1       **made within three (3) years after the date on which the**  
 2       **investments that are the basis for the increment financing are**  
 3       **made.**

4       However, a commission may not designate a taxpayer after June 30,  
 5       1992, unless the commission also finds that ~~(1)~~ the taxpayer's property  
 6       in the allocation area will consist primarily of industrial,  
 7       manufacturing, warehousing, research and development, processing,  
 8       distribution, or transportation related projects, and ~~(2)~~ the taxpayer's  
 9       property in the allocation area will not consist primarily of retail,  
 10      commercial, or residential projects.

11      (c) The allocation provision of a declaratory resolution may modify  
 12      the definition of "property taxes" under section 39(a) of this chapter to  
 13      include taxes imposed under IC 6-1.1 on the depreciable personal  
 14      property located and taxable on the site of operations of the designated  
 15      taxpayers in accordance with the procedures and limitations set forth  
 16      in this section and section 39 of this chapter. If such a modification is  
 17      included in the resolution, for purposes of section 39 of this chapter the  
 18      term "base assessed value" with respect to the depreciable personal  
 19      property means the net assessed value of all the depreciable personal  
 20      property as finally determined for the assessment date immediately  
 21      preceding:

22      (1) the effective date of the modification, for modifications  
 23      adopted before July 1, 1995; and

24      (2) the adoption date of the modification for modifications  
 25      adopted after June 30, 1995;

26      as adjusted under section 39(h) of this chapter.

27      SECTION 7. IC 36-7-15.1-15 IS AMENDED TO READ AS  
 28      FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. (a) This section  
 29      does not apply to the sale or grant of real property or interests in real  
 30      property to:

31      (1) nonprofit corporations, ~~or~~ **community development**  
 32      **corporations, or** neighborhood development corporations under  
 33      section 15.1 of this chapter; **or**

34      (2) **an urban enterprise association under section 15.2 of this**  
 35      **chapter.**

36      The provisions of this section concerning appraisal, publication, and  
 37      bidding requirements do not apply to sales, leases, or other dispositions  
 38      of real or personal property or interests in property to other public  
 39      agencies, including the federal government or any agency or  
 40      department of the federal government, for public purposes.

41      (b) Before offering for sale, exchange, or lease (or a combination of  
 42      methods) to the public any of the property or interests acquired, the



commission shall cause two (2) separate appraisals of the fair market value to be made by independent appraisers. However, if the property is less than five (5) acres in size and the fair market value of the real property or interest has been appraised by one (1) independent appraiser at less than ten thousand dollars (\$10,000), the second appraisal may be made by a qualified employee of the department. In the case of an exchange, the same appraiser may not appraise both of the properties to be exchanged. In making appraisals, the appraisers shall take into consideration the size, location, and physical condition of the parcels, the advantages accruing to the parcels under the redevelopment plan, and all other factors having a bearing on the value of the parcels. The appraisals are solely for the information of the commission and are not open for public inspection.

(c) The commission shall then prepare an offering sheet showing the parcels to be offered and the offering prices, which may not be less than the average of the two (2) appraisals. Copies of the offering sheets shall be furnished to prospective buyers on request. Maps, plats, or maps and plats showing the size and location of all parcels to be offered shall also be kept available for inspection at the office of the department.

(d) A notice shall be published in accordance with IC 5-3-1. The notice must state that at a designated time the commission will open and consider written offers for the purchase or lease of the property or interests being offered. In giving the notice it is not necessary to describe each parcel separately, or to specify the exact terms of disposition, but the notice:

- (1) must state the general location of the parcels;
- (2) call attention generally to any limitations in the redevelopment or urban renewal plan on the use to be made of the real property offered; and
- (3) state that a bid submitted by a trust (as defined in IC 30-4-1-1(a)) must identify each:
  - (A) beneficiary of the trust; and
  - (B) settlor empowered to revoke or modify the trust.

(e) At the time fixed in the notice the commission shall open and consider any offers received. The offers may consist of consideration in the form of cash, other property, or a combination of cash and property. However, with respect to property other than cash, the offer must be accompanied by evidence of the property's fair market value that is satisfactory to the commission in the commission's sole discretion. All offers received shall be opened at public meetings of the commission and shall be kept open for public inspection.



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1 (f) The commission may reject any or all bids or may make awards  
 2 to the highest and best bidders. In determining the best bids, the  
 3 commission shall take into consideration the following factors:

4 (1) The size and character of the improvements proposed to be  
 5 made by the bidder on the real property bid on.

6 (2) The bidder's plans and ability to improve the real property  
 7 with reasonable promptness.

8 (3) Whether the real property when improved will be sold or  
 9 rented.

10 (4) The bidder's proposed sale or rental prices.

11 (5) The bidder's compliance with subsection (d)(3).

12 (6) Any factors that will assure the commission that the sale or  
 13 lease, if made, will further the execution of the redevelopment  
 14 plan and best serve the interest of the community, from the  
 15 standpoint of both human and economic welfare.

16 (g) The commission may contract with a bidder in regard to the  
 17 factors listed in subsection (f), and the contract may provide for the  
 18 deposit of surety bonds, the making of good faith deposits, liquidated  
 19 damages, the right of reversion or repurchase, or other rights and  
 20 remedies if the bidder fails to comply with the contract.

21 (h) After the opening, consideration, and determination of the  
 22 written offers filed in response to the notice, the commission may  
 23 dispose of all or part of the remaining available property or interests for  
 24 any approved use, either at public sale or by private negotiation carried  
 25 on by the commission, its regular employees, or real estate experts  
 26 employed for that purpose. For a period of thirty (30) days after the  
 27 opening of the written offers and determination on them, no sale,  
 28 exchange, or lease may be made at a price or rental less than that  
 29 shown on the offering sheet, except in the case of sales or rentals of:

30 (1) ten (10) or more parcels to a purchaser or lessee who agrees  
 31 to improve the parcels immediately;

32 (2) parcels of property to individuals or families whose income is  
 33 at or below the county's median income for individual and family  
 34 income, respectively, for the purpose of constructing single family  
 35 or two (2) family housing; or

36 (3) parcels of property to a contractor or developer for the purpose  
 37 of constructing single family or two (2) family housing for  
 38 individuals or families whose income is at or below the county's  
 39 median income for individual and family income, respectively;

40 but after that period the commission may adjust the offering prices in  
 41 the manner it considers necessary to further the redevelopment or  
 42 urban renewal plan.



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(i) A conveyance under this section may not be made until the agreed consideration has been paid, unless the commission adopts a resolution:

(1) stating that consideration does not have to be paid before the conveyance is made; and

(2) setting forth an arrangement for future payment of consideration or provision of an infrastructure credit against the consideration, or both.

If full consideration is not paid before the conveyance is made, the commission may use a land sale contract or mortgage to secure payment of the consideration or may accept as a credit against the agreed consideration a contractual obligation to perform public infrastructure work related to the property being conveyed. All deeds, land sale contracts, leases, or other conveyances, and all contracts and agreements, including contracts of purchase, sale, or exchange and contracts for advancements, loans, grants, contributions, or other aid, shall be executed in the name of the "City of \_\_\_\_\_, Department of Metropolitan Development", and shall be executed by the president or vice president of the commission or by the director of the department if authorized. A seal is not required on these instruments or any other instruments executed in the name of the department.

SECTION 8. IC 36-7-15.1-15.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15.2. (a) The commission may sell or grant, at no cost, title to real property to an urban enterprise association for the purpose of developing the real property if the following requirements are met:**

(1) The urban enterprise association has incorporated as a not-for-profit corporation under IC 4-4-6.1-5(b)(3).

(2) The parcel of property to be sold or granted is located entirely within the enterprise zone for which the urban enterprise association was created under IC 4-4-6.1-4.

(3) The urban enterprise association agrees to cause development on the parcel of property within a specified period that may not exceed five (5) years from the date of the sale or grant.

(4) The urban enterprise association agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the enterprise zone.

(b) To carry out the purposes of this section, the commission may secure from the county under IC 6-1.1-25-9(e) parcels of

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property acquired by the county under IC 6-1.1-24 and IC 6-1.1-25.

(c) Before offering any parcel of property for sale or grant, the fair market value of the parcel of property must be determined by an appraiser, who may be an employee of the department. However, if the commission has obtained the parcel in the manner described in subsection (b), an appraisal is not required. An appraisal under this subsection is solely for the information of the commission and is not available for public inspection.

(d) The commission must decide at a public meeting whether the commission will sell or grant the parcel of real property. In making this decision, the commission shall give substantial weight to the extent to which and the terms under which the urban enterprise association will cause development on the property.

(e) Before conducting a meeting under subsection (d), the commission shall publish a notice in accordance with IC 5-3-1 indicating that at a designated time the commission will consider selling or granting the parcel of real property under this section. The notice must state the general location of the property, including the street address, if any, or a common description of the property other than the legal description.

(f) If the county agrees to transfer a parcel of real property to the commission to be sold or granted under this section, the commission may conduct a meeting to sell or grant the parcel to an urban enterprise zone even though the parcel has not yet been transferred to the commission. After the hearing, the commission may adopt a resolution directing the department to take appropriate steps necessary to acquire the parcel from the county and to transfer the parcel to the urban enterprise association.

(g) A conveyance of property to an urban enterprise association under this section shall be made in accordance with section 15(i) of this chapter.

(h) An urban enterprise association that purchases or receives real property under this section shall report the terms of the conveyance to the enterprise zone board created under IC 4-4-6.1-1 not later than thirty (30) days after the date the conveyance of the property is made.

SECTION 9. [EFFECTIVE JULY 1, 2002] (a) If under IC 4-4-6.1-1(e), as amended by this act, the president of the Association of Indiana Enterprise Zones designates the executive director of an enterprise zone established under IC 4-4-6.1-3 to serve as a nonvoting, advisory member of the enterprise zone

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1     **board created under IC 4-4-6.1-1, as amended by this act, the**  
2     **president shall make the designation to the enterprise zone board**  
3     **not later than September 1, 2002.**  
4         **(b) This section expires January 1, 2003.**

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SENATE MOTION

Mr. President: I move that Senators Blade and Smith S be added as coauthors of Senate Bill 318.

SKILLMAN

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Energy and Economic Development, to which was referred Senate Bill No. 318, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 8, line 35, after "decide" insert "**at a public meeting**".

Page 8, line 36, delete "property at a public meeting." and insert "**property.**".

Page 13, line 3, after "decide" insert "**at a public meeting**".

Page 13, line 4, delete "property at a public meeting." and insert "**property.**".

and when so amended that said bill do pass.

(Reference is to SB 318 as introduced.)

WEATHERWAX, Chairperson

Committee Vote: Yeas 8, Nays 0.

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SENATE MOTION

Mr. President: I move that Senators Alting and Bowser be added as coauthors of Engrossed Senate Bill 318.

SKILLMAN

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Local Government, to which was referred Senate Bill 318, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 5, line 15, before "Fourth" insert "(4)".

Page 5, line 39, after "associations" insert "**or community development corporations**".

Page 8, between lines 23 and 24, begin a new paragraph and insert:

**"(b) The commission may sell or grant, at no cost, title to real property to a community development corporation (as defined in IC 4-4-28-13) for the purpose of providing low or moderate income housing or other development that will benefit or serve low or moderate income families if the following requirements are met:**

**(1) The community development corporation has as a major corporate purpose and function the provision of housing for low and moderate income families within the geographic area in which the parcel of real property is located.**

**(2) The community development corporation agrees to cause development that will serve or benefit low or moderate income families on the parcel of real property within a specified period, which may not exceed five (5) years from the date of the sale or grant.**

**(3) The community development corporation agrees that the community development corporation and each applicant, recipient, contractor, or subcontractor undertaking work in connection with the real property will:**

**(A) use lower income project area residents as trainees and as employees; and**

**(B) contract for work with business concerns located in the project area or owned in substantial part by persons residing in the project area;**

**to the greatest extent feasible, as determined under the standards specified in 24 CFR 135.**

**(4) The community development corporation agrees to rehabilitate or otherwise develop the property in a manner that is similar to and consistent with the use of the other properties in the area served by the community development corporation."**

Page 8, line 24, delete "(b)" and insert "(c)".

Page 8, line 28, delete "(c)" and insert "(d)".

Page 8, line 32, delete "(b)" and insert "(c)".



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Page 8, line 35, delete "(d)" and insert "(e)".

Page 8, line 39, after "association" insert "**or community development corporation**".

Page 8, line 40, delete "(e)" and insert "(f)".

Page 9, line 5, delete "(f)" and insert "(g)".

Page 9, line 8, after "zone" insert "**or to a community development corporation**".

Page 9, line 12, after "association" insert "**or to the community development corporation**".

Page 9, line 13, delete "(g)" and insert "(h)".

Page 9, line 13, delete "to an urban enterprise association".

Page 9, line 16, delete "(h)" and insert "(i)".

Page 9, line 25, after "corporations" insert ",".

Page 9, line 25, strike "or" and insert "**community development corporations, or**".

and when so amended that said bill do pass.

(Reference is to SB 318 as printed January 30, 2002.)

STEVENSON, Chair

Committee Vote: yeas 9, nays 0.

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## HOUSE MOTION

Mr. Speaker: I move that Engrossed Senate Bill 318 be amended to read as follows:

Page 10, between lines 11 and 12, begin a new paragraph and insert:

"SECTION 6. IC 36-7-14-39.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 39.3. (a) As used in this section, "depreciable personal property" refers to:

- (1) all of the designated taxpayer's depreciable personal property that is located in the allocation area; and
- (2) all other depreciable property located and taxable on the designated taxpayer's site of operations within the allocation area.

(b) As used in this section, "designated taxpayer" means any taxpayer designated by the commission in a declaratory resolution adopted or amended under section 15 or 17.5 of this chapter, and with respect to which the commission finds that taxes to be derived from the depreciable personal property in the allocation area, in excess of the taxes attributable to the base assessed value of that personal property, are needed **for one (1) or more of the following purposes:**

**(1) To pay debt service or to provide security for bonds issued under section 25.1 of this chapter or to make payments or to provide security on leases payable under section 25.2 of this chapter in order to provide local public improvements for a particular allocation area.**

**(2) To reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:**

**(A) in the allocation area; and**

**(B) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.**

**However, the total amount of money spent under this subdivision in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this subdivision. Reimbursements under this subdivision must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.**

However, a commission may not designate a taxpayer after June 30, 1992, unless the commission also finds that ~~(1)~~ the taxpayer's property in the allocation area will consist primarily of industrial, manufacturing, warehousing, research and development, processing,

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distribution, or transportation related projects, and ~~(2)~~ the taxpayer's property in the allocation area will not consist primarily of retail, commercial, or residential projects.

(c) The allocation provision of a declaratory resolution may modify the definition of "property taxes" under section 39(a) of this chapter to include taxes imposed under IC 6-1.1 on the depreciable personal property located and taxable on the site of operations of the designated taxpayers in accordance with the procedures and limitations set forth in this section and section 39 of this chapter. If such a modification is included in the resolution, for purposes of section 39 of this chapter the term "base assessed value" with respect to the depreciable personal property means the net assessed value of all the depreciable personal property as finally determined for the assessment date immediately preceding:

- (1) the effective date of the modification, for modifications adopted before July 1, 1995; and
- (2) the adoption date of the modification for modifications adopted after June 30, 1995;

as adjusted under section 39(h) of this chapter."

Renumber all SECTIONS consecutively.

(Reference is to ESB 318 as printed February 22, 2002.)

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